

CHANGES IN EXISTING LAW

In compliance with subsection 4 of rule XXIX of the Standing Rules of the Senate, changes in existing law made by the bill as reported are shown as follows (existing law in which no change is proposed is shown in roman; existing law proposed to be omitted is enclosed in black brackets; new matter is shown in italic):

Central Intelligence Agency Retirement Act of 1964 for Certain Employees, as amended (78 Stat. 1043; 50 U.S.C. 403 note).

TITLE I--TITLE AND DEFINITIONS

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Part B--Definitions

SEC. 111. When used in this Act, the term--

- (1) "Agency" means the Central Intelligence Agency;
- (2) "Director" means the Director of Central Intelligence; and
- (3) "Qualifying service" means service performed as a participant in the system or, in the case of service prior to designation, service determined by the Director to have been performed in carrying out duties described in section 203. .;

(4) 'fund balance' means the sum of--

(a) the investments of the fund calculated at par value; and

(b) the cash balance of the fund on the books of the Treasury; and

(5) 'unfunded liability' means the estimated excess of the present value of all benefits payable from the fund to participants and former participants, subject to this Act, and to their survivors, over the sum of--

(a) the present value of deductions to be withheld from the future basic pay of participants currently subject to this Act and of future Agency contributions to be made in their behalf; plus

(b) the present value of Government payments to the fund under section 261 of this Act; plus

(c) the fund balance as of the date the unfunded liability is determined.

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TITLE II--THE CENTRAL INTELLIGENCE AGENCY RETIREMENT AND DISABILITY SYSTEM

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Part A--Establishment of System Rules and Regulations

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Annuitants

SEC. 204. (a) Annuitants shall be participants who are receiving annuities from the fund and all persons, including surviving wives and husbands, widows, dependent widowers, children, and beneficiaries of participants or annuitants who shall become entitled to receive annuities in accordance with the provisions of this Act.

(b) When used in this Act the term--

(1) "Widow" means the surviving wife of a participant who was married to such participant for at least two years immediately preceding his death or is the mother of issue by marriage to the participant.

(2) "Dependent widower" means the surviving husband of a participant who was married to such participant for at least two years immediately preceding her death or is the father of issue by marriage to the participant, and who is incapable of self-support by reason of mental or physical disability, and who received more than one-half of his support from such participant.

(3) "Child", for the purposes of sections 221 and 232 of this Act, means an unmarried child, including (i) an adopted child, and (ii) a stepchild or recognized natural child who [received more than one-half of his support from and] lived with the participant in a regular parent-child relationship, under the age of eighteen years, or such unmarried child regardless of age who because of physical or mental disability incurred before age eighteen is incapable of self-support, or such unmarried child between eighteen and [twenty-one] twenty-two years of age who is a student regularly pursuing a full-time course of study or training in residence in a high school, trade school, technical or vocational institute, junior college, college, university, or comparable recognized educational institution. A child whose [twenty-first] twenty-second birthday occurs prior to July 1 or after August 31 of any calendar year, and while he is regularly pursuing such a course of study or training, shall be deemed for the purposes of this paragraph and section 221(e) of this Act to have attained the age of [twenty-one] twenty-two on the first day of July following such birthday. A child who is a student shall not be deemed to have ceased to

be a student during any interim between school years if the interim does not exceed /four five months and if he shows to the satisfaction of the Director that he has a bona fide intention of continuing to pursue a course of study or training in the same or different school during the school semester (or other period into which the school year is divided) immediately following the interim. The term "child," for purposes of section 241, shall include an adopted child and a natural child, but shall not include a stepchild.

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Part C--Computation of Annuities

SEC. 221.

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(e) [The annuity payable to a child under paragraph (c) or (d) of this section shall begin on the day after the participant dies, and such annuity or any right thereto shall terminate on the last day of the month before (1) his attaining age eighteen unless incapable of self-support, (2) his becoming capable of self-support after age eighteen, (3) his marriage, or (4) his death, except that the annuity of a child who is a student as described in section 204(b)(3) of this Act shall terminate on the last day of the month before (1) his marriage, (2) his death, (3) his ceasing to be such a student, or (4) his attaining age twenty-one.]

The commencing date of an annuity payable to a child under paragraph (c) or (d) of this section, or (c) or (d) of section 232, shall be deemed to be the day after the annuitant or participant dies, with payment beginning on that day or beginning or resuming on the first day of the month in which the child later becomes or again becomes a student as described in section 204 (b)(3), provided the lump-sum credit, if paid, is returned to the fund. Such annuity shall terminate on the last day of the month before (1) the child's attaining age eighteen unless he is then a student as described or incapable of self-support, (2) his becoming capable of self-support after attaining age eighteen unless he is then such a student, (3) his attaining age twenty-two if he is then such a student and not incapable of self-support, (4) his ceasing to be such a student after attaining age eighteen unless he is then incapable of self-support, (5) his marriage, or (6) his death, whichever first occurs.

(f) Any unmarried participant retiring under the provisions of this Act and found by the Director to be in good health may at the time of retirement elect a reduced annuity, in lieu of the annuity as hereinbefore provided, and designate in writing a person having an insurable interest (as that term is used in section 9(h) of the Civil Service Retirement Act (5 U.S.C. 2259(h))) in the participant to receive an annuity after the participant's death. The annuity payable to the participant making such election shall be reduced by 10 percentum of an annuity computed as provided in paragraph (a) of this section, and by 5 percentum of an annuity so computed for each full five years the person designated is younger than the participant, but such total reduction shall not exceed 40 percentum. The annuity of a survivor designated under this paragraph shall be 55 percentum of the reduced annuity computed as prescribed above. [The annuity payable to a beneficiary under the provisions of this paragraph shall begin on the first day of the next month after the participant dies. Upon the death of the surviving beneficiary all payments shall cease and no further annuity payments authorized under this paragraph shall be due or payable.]

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(i) Except as otherwise provided, the annuity of a participant shall commence on the day after separation from the service, or on the day after salary ceases and the participant meets the service and the age or disability requirements for title thereto. The annuity of a participant under section 234 shall commence on the day after the occurrence of the event on which payment thereof is based. An annuity otherwise payable from the fund allowed on or after date of enactment of this provision shall commence on the day after the occurrence of the event on which payment thereof is based.

(j) An annuity payable from the fund on or after date of enactment of this provision shall terminate (1) in the case of a retired participant, on the day death or any other terminating event occurs, or (2) in the case of a survivor, on the last day of the month before death or any other terminating event occurs.

(k) The annuity computed under this section is reduced by 10 percent of a special contribution described by section 252(b) remaining unpaid for civilian service for which retirement deductions have not been made, unless the participant elects to eliminate the service involved for the purpose of annuity computation.

Part D--Benefits Accruing to Certain Participants

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Limitation on Number of Retirements

SEC. 236. The number of participants retiring on an annuity pursuant to sections 233, 234, and 235 of this Act shall not exceed a total of four hundred during the period ending on June 30, 1969. [], nor a total of four hundred during the period beginning on July 1, 1969, and ending on June 30, 1974.]

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Part F--Period of Service for Annuities

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Prior Service Credit

SEC. 252.

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(c)(1) If an officer or employee under some other Government retirement system becomes a participant in the system by direct transfer, the Government's contributions (including interest accrued thereon computed at the rate of 3 percent a year compounded annually) under such retirement system on behalf of the officer or employee shall be transferred to the fund and such officer or employee's total contributions and deposits [], (including interest accrued thereon), except voluntary contributions, shall be transferred to his credit in the fund effective as of the date such officer or employee becomes a participant in the system. Each such officer or employee shall be deemed to consent to the transfer of such funds and such transfer shall be a complete discharge and acquittance of all claims and demands against the other Government retirement fund on account of service rendered prior to becoming a participant in the system.

If an officer or employee under some other Government retirement system becomes a participant in the system by direct transfer, (the Government's contributions (including interest accrued thereon computed at the rate of 3 percent a year compounded annually) under such retirement system on behalf of the officer or employee shall be transferred to the fund and such officer or employee's total contributions and deposits (including interest accrued thereon), except voluntary contributions, shall be transferred to his credit in the fund effective as of the date such officer or employee becomes a participant in the system. Each such officer or employee shall be deemed to consent to the transfer of such funds and such transfer shall be a complete discharge and acquittance of all claims and demands against the other Government retirement fund on account of service rendered prior to becoming a participant in the system.

(2) If a participant in the system becomes an employee under another Government retirement system by direct transfer to employment covered by such system, the Government's contributions (including interest accrued thereon computed at the rate of 3 percent a year compounded annually) to the fund on his behalf may be transferred to the fund of the other system and his total contributions and deposits, including interest accrued thereon, except voluntary contributions, shall be transferred to his credit in the fund of such other retirement system effective as of the date he becomes eligible to participate in such other retirement system. Each such officer or employee shall be deemed to consent to the transfer of such funds and such transfer shall be a complete discharge and acquittance of all claims and demands against the fund on account of service rendered prior to his becoming eligible for participation in such other system.

[(2)] (3) No participant, whose contributions are transferred to the fund in accordance with the provisions of paragraph (c) (1) of this section, shall be required to make contributions in addition to those transferred for periods of service for which full contributions were made to the other Government retirement fund, nor shall any refund be made to any such participant on account of contributions made during any period to the other Government retirement fund at a higher rate than that fixed for employees by section 4(c) of the Civil Service Retirement Act (5 USC 2254 (c)) for contributions to the fund.

[(3)] (4) No participant, whose contributions are transferred to the fund in accordance with the provisions of paragraph (c) (1) of this section, shall receive credit for periods of service for which a refund of contributions has been made, or for which no contributions were made to the other Government retirement fund. A participant may, however, obtain credit for such prior service by making a special contribution to the fund in accordance with the provisions of paragraph (b) of this section.

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(g) For the purpose of survivor annuity, special contributions authorized by paragraph (b) of this section may also be made by the survivor of a participant.

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Part G - Moneys

Estimate of Appropriations Needed

SEC. 261. (a) The Director shall prepare the estimates of the annual appropriations required to be made to the fund, and shall cause to be made actuarial valuations of the fund at intervals of five years, or oftener if deemed necessary by him.

(b) Any statute or authority based on statute which authorizes--

(1) new or liberalized benefits payable from the fund, including annuity increases other than under section 291 of this Act;

(2) extension of the coverage of this Act to new groups of employees; or

(3) increases in pay on which benefits are computed;

is deemed to authorize appropriations to the fund to finance the unfunded liability created by that statute or authority in 30 equal annual installments with interest computed at the rate used in the then most recent valuation of the Central Intelligence Agency Retirement and Disability System and with the first payment thereof due as of the end of the fiscal year in which each new or liberalized benefit, extension of coverage, or increase in pay is effective.

(c) At the end of each fiscal year, the Director shall notify the Secretary of the Treasury of the amount equivalent to (1) interest on the unfunded liability computed for that year at the interest rate used in the then most recent valuation of the System, and (2) that portion of disbursement for annuities for that year which the Director estimates is attributable to credit allowed for military service. Before closing the accounts for each fiscal year, the Secretary shall credit to the fund, as a Government contribution, out of any money in the Treasury of the United States not otherwise appropriated, the following percentages of such amounts: 10 percent for 1971; 20 percent for 1972; 30 percent for 1973; 40 percent for 1974; 50 percent for 1975; 60 percent for 1976; 70 percent for 1977; 80 percent for 1978; 90 percent for 1979; and 100 percent for 1980 and for each fiscal year thereafter. The Director shall report to the President and to the Congress the sums credited to the fund under this paragraph.

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Part H - Retired Participants Recalled, Reinstated, or
Reappointed in the Agency, or Reemployed in the
Government

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Reemployment Compensation

SEC. 273. (a) Notwithstanding any other provision of law, any annuitant who has retired under this Act and who is reemployed in the Federal Government service in any appointive position either on a part-time or full-time basis shall be entitled to receive the salary of the position in which he is serving plus so much of his annuity payable under this Act [], but there shall be deducted from his salary a sum equal to the annuity allocable to the period of actual employment. [] which when combined with such salary does not exceed during any calendar year the basic salary such officer or employee was entitled to receive on the date of his retirement or separation from the Agency. Any such reemployed officer or employee who receives salary during any calendar year in excess of the maximum amount which he may be entitled to receive under this paragraph shall be entitled to such salary in lieu of benefits hereunder.

(b) When any such annuitant is reemployed, the employer shall notify the Director of Central Intelligence of such reemployment and shall provide all pertinent information relating thereto.

[(b)] (c) In the event of any overpayment under this section, such overpayment shall be recovered by withholding the amount over involved from the salary payable to such reemployed annuitant, or from any other moneys, including his annuity, payable in accordance with the provisions of this Act.